

2016-18 Strategic Plan
Motor Vehicle Dealer Board [506]

Mission

The Motor Vehicle Dealer Board (MVDB) will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; while providing a high level of customer service for the automotive consumer and dealer community.

Vision

To be a leader, innovator and the "best" US motor vehicle dealer board. The agency strives to provide exceptional customer service, consumer support to the dealer and automotive buying community. The Motor Vehicle Dealer Board supports telework initiatives of which 40% of agency workforce have "home-based" offices and necessary IT support to accomplish field work and communication to Headquarters.

Values

Finance

Financial Overview

The Board receives no general fund monies. Fees submitted to the agency by dealers cover all business functions and services provided by the Board. We continue to experience a surge in costs associated with VITA rate increases, IT investment and support and other direct operating costs, necessary for keeping up with technological improvements and data security.

The Board's financial accounting and reporting functions are provided by DMV. As a result of this joint effort, the Board has been able to conduct its statutory responsibilities and its financial management functions in a most cost-effective manner.

Fiscal Year Ending June 30, 2014: Revenues= \$2,107,051. Expenses/Transfers=\$2,288,857; Cash Balance=\$532,495. Since the Motor Vehicle Dealer Board is self-funded, monies appropriated from the agency's reserve (special) funds cover the Board and operational expenses within the Administrative Service area. Agency revenue generated by fee collection provides funding for the Consumer Assistance and Motor Vehicle Dealer and Salesperson Regulation service areas.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	2,849,125	0	2,849,264
Changes to Initial Appropriation	0	0	0	0

(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)

Customers

Anticipated Changes to Customer Base

Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Dealership	Commonwealth of Virginia Motor Vehicle Dealers	4,908	5,000	Increase
Employee	Commonwealth of Virginia Motor Vehicle Salespersons	23,200	24,300	Increase
Consumer	Commonwealth of Virginia Motor Vehicle Consumer	6,000	6,500	Increase
Local or Regional Government Authorities	Local law enforcement, and zoning officials	134	134	Stable
Victim	Attorneys for consumers	5	20	Increase
Transportation	Virginia automobile associations and education partners	5	5	Stable
Attorney General	Consumer Services	1	1	Stable

State Agency(s),	Department of Motor Vehicles, VDOT, VITA	3	3 Stable
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Partners

Name	Description
Department of Motor Vehicles	The Department of Motor Vehicles, for which the Commissioner chairs the Board, works closely with the Motor Vehicle Dealer Board by providing some administrative services, investigative services for those matters requiring enforcement, certification testing, and joint computer (application-specific) system sharing.
Office of the Attorney General	Provides legal advice in those cases requiring opinion or interpretation of law. Represents the agency in court on appealed decisions by the Board. Provides consumer assistance in those areas not governed by the Motor Vehicle Dealer Board code sections.
VITA/NG	The partnership with Virginia Information Technologies Agency and Northrup Grumman provides IT-related support outside the scope of the agency's seat management contract.
Screening One	Provides criminal background screening for dealer and salesperson applicants to the Agency for review and evaluation and to those dealerships that use this vendor services.
Virginia Automobile Dealers Association	The local chapter of the National Automobile Dealers Association, the Virginia Automobile Dealers Association, represents the Commonwealth's franchise automobile dealer community. The Motor Vehicle Dealer Board, for which some members are also members of VADA, work closely together to ensure timely communication of changes in business practices, cooperative legislation, and information gathering.
Virginia Independent Automobile Dealers Association	The local chapter of the Virginia Independent Automobile Dealers Association VIADA represents the Commonwealth's independent automobile dealer community. The Motor Vehicle Dealer Board, for which some members are also members of VIADA, work closely together to ensure timely communication of changes in business practices, cooperative legislation, and information gathering.
Washington Area New Automobile Dealers Association (WANADA)	The Washington Area New Automobile Dealers Association (WANADA) represents the Commonwealth's Northern Virginia and Southern Maryland franchise automobile dealer community. The Motor Vehicle Dealer Board works closely together to ensure timely communication of changes in business practices, cooperative legislation, and information gathering.
Virginia Community Colleges	The VCCC works closely with the Board and the VIADA on providing registration and facilities for the dealer operator 2-day study courses
Continuing Education vendors	Works closely with the Board on registration and online continuing education for the dealer operator re-certification requirement

Agency Goals

- **Provide a high level of customer service.**

Summary and Alignment

The Motor Vehicle Dealer Board continues to implement automated activities that directly support service area objectives and responsibilities as charged (Title 46.2, Chapter 15). Application development continues to streamline work processes in these service areas to include functionality for a dealer lookup database accessed internally and the public via agency web site, email capability for consumer assistance, and document management capability for staff to view/research online scanned documents. The agency web site enables the dealer community, automotive consumers, and business partners easy access to customer focused resources which aligns our agency goals with core objectives in these service areas. Service area process "modules" will continue to be further developed to enhance performance, reporting, and tracking capabilities during this planning period.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Business Climate

Objectives

- » **Reduce postage expenditures.**

Description

As of July 1, 2013, all dealers must have an internet connection and email address (46.2-1510.4). During this period we have updated many MVDB forms (paper and online) for dealers to conveniently provide their "official" business email. MVDB uses these emails to promptly respond to dealer inquiries as well as to educate dealers on possible non-compliance code regulations. Beginning late 2017 we will email dealer continuing education notices (recertification) vs. using traditional mailings. We envision this will further have significant postage savings and little impact on dealer-operators meeting their recertification requirements. Using email also allows staff to quickly

send license related documents to dealers and to simultaneously send these documents directly into our electronic files for archive purposes. This "drop and drag" process allows for better correspondence management tracking. The agency also utilizes Constant Content besides traditional email channels to reduce postage by sending information outreach to the dealer and consumer community such as our popular Dealer Talk newsletter.

Objective Strategies

- Use email as an alternative to traditional mailing.

Measures

- ◆ Reduce the amount of dollars spent on postage.

» **Process salespersons applications on a timely basis.**

Description

Process "clean" salespersons applications within 5 business days. A "clean" application is one where the applicant's criminal history does not cause staff to perform additional research to complete the application.

Objective Strategies

- Make processing an initial salesperson's application a top priority.

Measures

- ◆ Percentage of 'clean' salespersons applications processed within 5 business days. A "clean" application is one where the applicant's criminal history does not cause staff to perform additional research to complete the application.

» **Inspect original (new) dealerships on a timely basis.**

Description

In keeping with the theme of promoting employment and economic development we strive to open new business (dealers) in a timely fashion. This is one of our core functions and responsibilities.

Objective Strategies

- Make opening new dealers a top priority.

Measures

- ◆ Percentage of opening inspections of (new) original dealerships within 30 days.

» **Effectively manage the Transaction Recovery Fund. 46.2-1527**

Description

The Motor Vehicle Dealer Board is responsible for administering the Motor Vehicle Transaction Recovery Fund (MVTRF). Individuals who have been awarded a judgment in court related to the purchase of a motor vehicle from a licensed dealer, may seek relief from the Fund if the dealer does not follow the court's direction. The Virginia Motor Vehicle Transaction Recovery Fund has been established to reimburse persons who have suffered loss or damage in connection with the purchase or lease of a motor vehicle due to illegal actions of licensed or registered motor vehicle dealers or salespersons. MVDB staff coordinate these efforts to ensure management of the fund is upheld in accordance with Transaction Recovery Fund laws and regulations. 46.2-1527.1-46.2-1527.11

The MVTRF fund paid for FY15 FY16 paid a total of \$193,760 to 11 consumers defrauded by dealers.

Objective Strategies

- Make timely payments for the Fund to Consumers.

Measures

- ◆ Percent claims approved for payment within five business days of being authorized to approve payment.

• **Promote the interest of both the automotive consumer and the dealer body.**

Summary and Alignment

The Motor Vehicle Dealer Board continues to implement automated activities that directly support service area objectives and responsibilities as charged. Application development continues to streamline work processes in these service areas to include functionality for a dealer lookup database accessed internally and the public via agency web site, email capability for consumer assistance, and document

management capability for staff to view/research online scanned documents. Ease of use capabilities such as online access for the dealer community, automotive consumers, and business partners provide customer focused resources used effectively and aligns our goals with core objectives in these service areas. Service area process "modules" will continue to be further developed to enhance performance, reporting, and tracking capabilities during this planning period.

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Consumer Protection

Objectives

» **Visit all licensed dealerships on a periodic basis.**

Description

The Motor Vehicle Dealer Board's 12 field representatives have assigned geographic areas. All dealerships should be visited/subject to a random inspection once every two years.

Objective Strategies

- Perform random field inspections on dealerships geographically once every two years.

Measures

- ♦ Percent of dealerships that a Motor Vehicle Dealer Board Field Representative visits at least once every two years.

» **Facilitate timely re-certification of independent dealer-operators.**

Description

In order for independent dealer operators to re-certify on time, we must notify them with the information they need and with sufficient time to re-certify by established deadlines.

Objective Strategies

- Using Horizon application for notification and compliance.

Measures

- ♦ Mail 100% of re-certification notices at least 120 days prior to an independent dealer-operators certificate expiration.

• Administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations, as charged. Title 46.2, Chapter 15

Summary and Alignment

By being innovative and creative with the use of existing technology, the Motor Vehicle Dealer Board continues to raise the level of agency core business function performance. The Motor Vehicle Dealer Board anticipates numerous agency and customer benefits such as increased customer service delivery and staff productivity, decreased processing time, greater performance tracking and heightened accountability and operational cost savings.

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Consumer Protection

Objectives

» **Ensure that administrative hearings are scheduled in a timely manner.**

Description

Dealers, salespersons and applicants for licenses and certificates may request an informal fact finding conference or a formal hearing if the agency takes adverse action. These requests must be scheduled in a timely manner.

Objective Strategies

- Contract with hearing officers who will quickly schedule and conduct hearings.

Measures

- ◆ Percent of requests for informal conferences and hearings scheduled within 45 days of the request.
- ◆ Percent of requests for informal conferences and hearings scheduled within 45 days of the request.

Major Products and Services

Certify, license and educate motor vehicle dealers and salespersons. Assist consumers who have questions or problems related to the purchase of a car or truck. Administer the Motor Vehicle Transaction Recovery Fund. Impose disciplinary action on dealers and salespersons to include educational and warning notices; assessment of civil penalties; and suspension and revocation of licenses and certificates.

Performance Highlights

The Motor Vehicle Dealer Board tracked the following performance indicators during FY 2014:

- Completed 80% dealership opening (original) inspections within 30 days of assignment to a field representative.
Target 90%. We believe we are meeting the needs of the new dealers in conducting opening inspections in a timely manner. We have experienced a number of instances where the new dealers submitted their paperwork before they were ready to open and they delayed the process of conducting the opening inspection.
- In FY 14, responded to 99.9% of email correspondence sent to the agency's email address within 3 business days.
Target 98%
- Effectively managed the Transaction Recovery Fund by timely transferring administrative costs to the operating fund.
Target 100%

Staffing

Authorized Maximum Employment Level (MEL)	24
Salaried Employees	23
Wage Employees	5
Contracted Employees	0

Key Risk Factors

During this planning period, appropriations will be closely monitored to keep up with incremental cost increases particularly for IT infrastructure; application development/upgrades; software expenditures and increases in telecommunications costs. Anticipated VITA rate increases will also impact funds available for application development and upgrades. Potential mandated budget reductions are also anticipated.

Management Discussion

General Information About Ongoing Status of Agency

The MVDB continues to make strides towards a "paperless" office environment by evaluating document management practices as prescribed by the Library of Virginia, VITA and internal practices. We continue to scan documents thereby creating an electronic file for all dealers. In the previous biennium we replaced the imaging software that we installed eight years ago with a modern system that is faster and easier to use. The new system provides many enhancements to the imaging process that will result in more efficient operations and organization of scanned documents. We are no longer filing paper documents once they are imaged/scanned.

Along these same lines, we prepare a notebook for each Board member and by request, interested parties for each of our Board meetings. We have implemented an electronic/paperless board notebook that Board members and interested parties may elect to receive. We have worked closely with individuals who receive these notebooks to convert them to "e-notebooks". Previous to this effort, we were printing 29 notebooks for six meetings per year. We have reduced that number by 18 and are now printing just 11 notebooks per meeting. We estimate that this reduction saves over 43,000 sheets of paper per year and nearly \$1,000 in paper alone. We will continue our efforts to reduce the number of notebooks that we print.

Key personnel in the agency have and are reaching an age where they may retire soon. In this biennium we will continue our efforts to cross train personnel.

Information Technology

Meeting our performance target goals and servicing our customers continues to be our responsibility to the Commonwealth. Information Technology (IT) infrastructure costs (VITA/NG) and our IT development costs will continue to be looked at carefully to ensure we are meeting mandates from external sources as well servicing our customers: dealers and salesperson and business partners. Current IT operations along with proposed IT solutions will require planned modifications/enhancements that we foresee in our core business segments: Dealer Licensing and Education. Applications that support these business segments continue to be updated in order to provide the best customer service and reduce redundancy in data entry and other work flow processes.

During this biennium period, application development will continue to focus on combining legacy applications into a single shared and integrated database for headquarters and field staff. We will implement methods to better communicate electronically with field staff. We have recognized the value for our staff to perform functional responsibilities in a single, shared and integrated system to support our core business functions. Application integration will allow for a single database for efficient data management and maintenance and ultimately retire unused network circuits and older servers while maintaining data integrity and allow for flexibility for future modifications or enhancement requirements.

Since MVDB is a special funded agency (non general Fund-NGF), all licensing fees generated from Virginia dealers and salespersons are our sole revenue source to manage agency core lines of business while meeting service delivery performance objectives to our dealers and automotive consumer base.

Estimate of Technology Funding Needs

Workforce Development

We are overhauling our internal automated systems into one integrated system. This process will facilitate how we do business and allow an "overhaul" of all existing core business functions within the Consumer Assistance and Motor Vehicle Dealer and Salesperson Regulation service areas. Work flow processes will streamline operational activities for staff allowing for more customer focused activities to be accomplished. Individual staff responsibilities continue to evolve with changes in demand for service and to improve customer service and record keeping.

Physical Plant

We are in leased space that fits our needs. It is convenient and easy to locate with easy parking for our customers who visit the office to conduct transactions. We are very happy in our current space.

Our eleven field representatives work out of their home offices. The eleven are stationed throughout the Commonwealth. This model saves the agency a significant amount of money as it reduces office space needs and travel costs.

Supporting Documents

Title

File Type

Consumer Assistance [55002]

Description of this Program / Service Area

The Motor Vehicle Dealer Board provides consumer assistance and monitors dealer advertising to ensure compliance with Virginia Advertising Code and Regulations Title 46.2 -1580-1582. The Board may on some occasion assess civil penalties or conduct hearings when a dealership's advertising practices continues to be non-complaint. Monitoring Internet advertising is a on going activity for Board's 2 full time consumer/advertising analysts and has been an increasing factor in consumer assistance inquiries. The Board, recognizing "new and creative" advertising business models have proliferated since the Board's initial 2001 initial study and task force report has established a public forum (regulators, trade associations, consumers) to review and evaluate existing guidances. Other advertising guidance for dealers which promotes consumer protection are clarification on dealer rebate advertising guidelines published. During this reporting period the Board assessed \$103, 250 in advertising related civil penalties as a result of enforcement efforts. In keeping with the Board's philosophy of "education first", Board staff continues to educate our licensed dealers through telephone calls, emails, and letters.

Another critical component of this service area is the administration and management of the Motor Vehicle Transaction Recovery Fund (MVTRF) 46.2-1527. The MVTRF is funded through assessments paid by all dealers during the first three years they are in business. Legislation initiated by the MVDB during the 2014 General Assembly adjusted the fee that dealers pay into the MVTRF from \$250 per year to \$350 per year. this adjustment was the first in nearly 30 years. Automotive consumers who have suffered loss or damage in connection with the purchase or lease of a motor vehicle due to illegal actions of licensed or registered motor vehicle dealers may be reimbursed from the MVTRF. In FY 16 and FY 17 \$193,760 was paid to eleven claimants.

Mission Alignment

The Motor Vehicle Dealer Board strives to provide a high level of customer service needs for the Virginia automobile consumer and dealer. Our primary objective is to provide information easily accessible and current to all customers across the Commonwealth. We continue to promote flexibility and cross training for staff to ensure we are meeting service delivery needs to our customers. Customers in the Commonwealth have the option of visiting our Richmond office in person, calling on the telephone, or access our web site for consumer assistance and information on dealer and salesperson licensing, advertising, and automobile industry news. During FY 16, Board staff responded to nearly 4,800 consumers by telephone and nearly 1500 emails. The following further describes how we meet our customer service needs for Consumers.

- A Consumer Request for Assistance web form available from our website www.mvdb.Virginia.gov, consumers can email the Board by completing the text boxes with information about their consumer issues (complaints); MVDB staff will review these e-requests and respond back within 3 days via the email provided on the web form.

A performance measure has been established to ensure staff responds to consumer's requests within the 3 day time frame.

- An Automated Dealer Look Up Function (Search Active Dealers) available from our agency website. Anyone who has internet access may verify whether a dealer and salesperson are currently licensed (active) by the Board.

- Motor Vehicle Transaction Recovery Fund. The Board provides consumer assistance to guide consumers through the Motor Vehicle Transaction Recovery Fund (MVTRF) claim process. Instructions can be found on our web site or contact our MVTRF Analyst directly by telephone.

Products and Services

Description of Major Products and Services

Consumer assistance on automobile dealer issues which comprises assessment, evaluation, resolution and guidance for the Virginia automobile consumer. This service area also works with field operations on investigation of license dealers as it impacts consumers.

Motor Vehicle Transaction Recovery Fund (MVTRF) management and administration for those who proven, via the court system, that they have been defrauded by a Virginia dealer(ship) licensed by the Board. The MVTRF is funded through assessments paid by all dealers the first three years they are in business.

Advertising assistance, guidance, and enforcement is conducted in this service area on Virginia dealers to ensure motor vehicle dealer advertising laws and regulations are followed.

Anticipated Changes

System enhancements planned for the biennium will include more automated features aligned with performance metrics and reporting capabilities for this service area.

Factors Impacting

This service area has had to provide assistance to many of Virginia's customers to ensure automobile purchases were complete and satisfactory according to Virginia motor vehicle dealer laws and regulations. The most common complaints received from consumers are related to : Title/Registration not obtained by the dealer for the consumer, Dealer has gone out-of-business, Contract/pricing questions and disputes, motor

vehicle is in need of repair shortly after the purchase. We have worked with several entities such as DMV for title and registration guidance and processing to ensure Virginia's automotive consumers were satisfied. In some instances the consumer assistance area has had to intervene with sales transactions and worked with dealerships, financial institutions and our business partners.

At the same time MVDB has provided assistance to those dealerships that have suffered financial hardship or forced termination to ensure their businesses were properly closed or new ownership and location changes were appropriately conducted and in accordance with Virginia Code. This factor has also impacted other agency service areas of which resources were redirected to meet service delivery timeframes.

Other factors that can attribute to automotive buying sales activities include the sudden fluctuations in the US and Global economies, US trade agreements with other nations, and political unrest. Sub-prime consumer lending may have negative impact in economic downturns and negatively impact lending institutions and consumers.

Financial Overview

The Consumer Assistance service area is funded solely by fee revenue collected from the dealer community. Fees submitted to the agency by dealers cover all core business functions and services provided by the Board.

DMV provides financial accounting and reporting assistance for us. As a result of this joint effort, the Board has been able to conduct its statutory responsibilities and its financial management functions in a most cost-effective manner.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	267,500	0	267,500
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Motor Vehicle Dealer and Salesman Regulation [56023]

Description of this Program / Service Area

The Motor Vehicle Dealer Board's primary focus is to license and regulate Virginia Motor Vehicle dealers Title 46.2, Chapter 15. In FY 16 are 4593 Virginia motor vehicle dealers (franchise and independent dealers) with a salesperson workforce of 22,670. In addition the Board also licenses 307 dealers associated with manufactured homes, water craft trailers, non-profits, and foreign registrants.

This service area is comprised of several functional components:

- Licensing (Education and Testing)
- Field Operations (Inspection Process)
- Hearings, Violations and Penalty process (Board authority)

Dealer and salesperson education and testing requirements are integral parts of the licensing process. The agency continues to provide education portals for dealers and salespersons to keep current on motor vehicle dealer laws and regulations. Educating the dealer community, we feel, directly supports the Service Area objectives and promotes positive interaction.

The licensing process also involves a collaborative effort with the Department of Motor Vehicles (DMV):

- Dealers and salespersons can visit any statewide DMV customer service center to take the salesperson and dealer qualification tests.
- The agency issues plates, tags, and decals directly as a "one-stop" service so that dealers can complete their license process directly from the Board rather than visiting a DMV service center.

Organizationally, the Board staff is divided into two functional areas: Field Operations and Headquarters Operations. The field operations consist of a supervisor and 12 field representatives who work out of their "home-offices" located throughout the Commonwealth. Headquarters (Richmond, VA) is comprised of Program Manager and 5 Program Support Technicians for licensing processing. Both field and Headquarters interact with the dealer community as well as external business partners to perform objectives of the service area.

Mission Alignment

As stated in the mission, "The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged." All service area functions are directly linked to this passage by Code. (Title 46.2, Chapter 15).

With this mission we have implemented several education portals to inform dealers and salesperson on the most current Virginia motor vehicle dealer laws and regulations. Educating the dealer community, we feel, directly supports the objectives to this service area while promoting positive interaction. The 2005 General Assembly requires all original independent dealer operators to take a 2-day dealer-operator course that focuses on motor vehicle dealer laws and regulations. Working with the Virginia Community colleges and the Virginia Independent Dealers Association a two day class was instituted. During FY15 and FY16, forty-three classes were held, with over 1,243 students attending. In addition the 2011 General Assembly further enhanced dealer education by requiring independent dealer operators to recertify every three years by taking an online course, in-class or test at any DMV. Re-certification is a form of continuing education that focuses on recent changes in motor vehicle dealer laws and regulations. In FY15 and FY16 there were a total of 1,713 dealer operators successfully completed recertification (continuing education).

The agency over the years has introduced a variety of methods to make information available to dealers and salespersons. Introducing a range of informational opportunities including our web site www.mvdb.virginia.gov promotes dealers and salespersons to abide by licensing regulations and laws. Indirectly this may help consumers when purchasing vehicles from dealers who are well informed about the dealer laws and regulations and act responsibly. Keeping dealers informed will continue to be a priority for the agency during this unstable period for the automobile industry and overall economic climate.

Products and Services

Description of Major Products and Services

The primary focus of the Board is to license and regulate the nearly 4,593 franchise (new) and independent (used) automobile dealers with salesperson workforce of over 18,500 in the Commonwealth. In addition the Board also licenses 307 dealers associated with manufactured homes, water craft trailers, non-profits, and foreign registrants. Increases in our customer based from the prior biennium period (FY16 3,634 dealers) is direct result of HB 2189 unanimously adopted by the General Assembly which transferred the licensing and regulatory responsibility for recreational vehicles, motorcycles, and trailer dealers from DMV to the Motor Vehicle Dealer Board effective July 1, 2015. This service area performs the following services of which Field and Headquarters staff directly support: As part of the licensing process, the Board also issues dealer license plates and renewal decals as directed by DMV. In a typical year, the agency will process over 3,000 dealer-related license transactions, over 20,000 salesperson license transactions (original, transfer, and terminations), and issued nearly 30,000 dealer tags and decals. One of the Board's primary customer service functions is to educate dealers and salespersons. The agency, over the years, has introduced a variety of methods to make information available to dealers and salespersons. Introducing a range of informational opportunities including our web site www.mvdb.virginia.gov promotes dealers and salespersons to abide by licensing regulations and laws. Indirectly this ensures consumers are having well informed and responsible dealers when visiting dealerships in the Commonwealth.

The Hearing process is a service the Board is charged with by Virginia Code and the Administrative Process Act. Applicants who are denied a license or licensees against whom the Board takes action are entitled to the hearing process as outlined in the Administrative Process Act. The

Board conducts informal and formal hearings with an assigned hearing officer. The assigned hearing officer (contractor) will conduct a hearing and provide written recommendation to the Board for review. In FY15 and FY 16 the Board conducted 136 administrative hearings. There is an appeal process if decisions are appealed. In FY% of appeals were conducted within 45 days of appeal request. The hearing process and outcomes are tracked internally and presented in report format.

When there is non-compliance (violation) with any motor vehicle dealer laws including licensing, advertising, and any conduct of business the Board has the authority to assess a civil penalty of up to \$1,000 per violation. In FY 2015 and FY 2016 MVDB assessed civil penalties totaling \$663,200 and collected \$321,281 in civil penalties from dealers (includes advertising civil penalties. These penalties are deposited directly into the Transportation Trust Fund.

As an alternative approach the Board may also, on occasion, determine an educational telephone call or correspondence to the dealer may be a better method to communicate dealer laws and regulations. Additional inspections and requiring attending a dealer-operator class are other means the Board have employed as corrective measures. Some large civil penalties and "payment plans" explain the difference between the amount assessed and the amount collected.

Educating dealers and salesperson is an integral component of the service area products. Some resources that are used to meet target goals include:

Dealer and salesperson study guides found on our web site and made available in soft copy format to assist interested applicants with testing materials prior to taking the test at any DMV Customer Service Center throughout the Commonwealth. Applicants can visit the web site to take a sample test.

DealerTalk newsletter published throughout the year. Dealers can subscribe to this newsletter and past issues are available on our web site. *DealerTalk* provides the dealer community a broad range of articles including legislative changes, Board hearing decisions, and automobile industry trends.

Dealer Outreach - Dealer Operator Course and Continuing Education (re-certification)- Since 2006 any applicant interested in becoming a new independent automobile dealer must take the Dealer Operator course as a first step to becoming a licensed independent automobile dealer. The Dealer Operator course is a team effort by the Virginia Community College System and the VIADA (Virginia Independent Automobile Dealers Association) which offers a 2-day course at Virginia Community Colleges throughout the Commonwealth on a rotating basis. Effective in 2011, all independent dealer operators must re-certify every three years by either taking a test or by taking either an on-line or class room course. Two vendors provide the on-line and classroom courses. The primary purpose of the re-certification program provides dealers continuing education opportunities to keep pace with new motor vehicle dealer laws and consumer regulations which directly supports the agency service areas.

Field Operations (Inspection Process) -

The total number of Field Inspections for FY16 was 3070. Based on feedback from the Board and the dealer community, the MVDB staff developed two critical documents to help the licensed dealers with field inspection. The Dealer Audit sheet (automated feature in Horizon) provides both the field representative and the dealer with a "snap shot" of current information the MVDB has on record for the dealership. This enables both the dealer and the MVDB staff to review and correct any date. The Self-Inspection Checklist was a result of feedback received from Board members. This form is an educational tool that will allow the Dealer to be proactive in their review of their current business operations and serves as a reminder of high visibility inspection areas focused on by the Field Representatives. Both the audit sheet and the self-inspection checklist are based on the Board's long standing principal of education before enforcement for the Dealer community.

Anticipated Changes

The agency anticipates expanding knowledge base support for dealers through our web site www.mvdb.virginia.gov and re-certification initiative. Agency web site metrics indicate there is an increased demand for licensing services to be accessed via on-line. This is primarily because of more dealerships having computers and internet access, particularly those in the rural areas of the state. Current web site and enhanced online services will be the focus during this biennium period.

As noted above, we have expanded educational requirements for currently licensed independent Dealer-Operators. Recently promulgated regulations require dealer operators to re-certify every 36 months from their anniversary date. Dealer operator continuing educational courses are offered both in a classroom setting and on-line.

Horizon, Smart Search and integration with DMV's mainframe all of which support this service area and related components will continue to be refined to support technology demands from the public and business partners. We will continue to evaluate current workflow as it impacts the licensing process to support dealer and salesperson service objectives. Work planned for this biennium includes further development of a 360 view of dealers and salespersons for field and headquarters staff.

Factors Impacting

Factors that may have impact on this service area include US and global economies and US and international trade markets, fuel prices and energy resources.

Financial Overview

The Motor Vehicle Dealer and Salesperson Regulation service area is funded solely by fee revenue collected from the dealer community.

DMV provides assistance with the Board's financial accounting and reporting functions. As a result of this joint effort, the Board has been able to conduct its statutory responsibilities and its financial management functions in a most cost-effective manner.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	1,394,147	0	1,394,147
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title File Type

Administrative Services [56048]

Description of this Program / Service Area

This service area provides operational and logistical support to the agency to accomplish our mission and functional responsibilities. The service area focuses on planning, coordination and guidance for the administration of agency policy and procedure; financial and budgetary management; staffing; information technology; and operational resources. The service area serves as a primary point of contact to the nineteen (19) member Board appointed by the Governor and to our business partners and general public.

This service area also will coordinate administrative hearings; any proposed legislative changes, impact analysis; and legislative direction as it relates to agency statute responsibilities.

- Board Administration
 - Board Correspondence
 - Meeting Management
- Operations
 - Hearings
 - Facilities
 - Legal
 - Staff
 - Inter agency Processing
 - Information Technology

Mission Alignment

This service area supports the agency mission through analysis and refinements of business processes to meet target and performance goals. We accomplish these objectives through cross agency support for the overall management of administrative functions as outlined in the following strategic focus areas:

Oversight of policy development, interpretation and implementation
Financial and budgetary planning
Cost management
Forms and Supply Management
Information Resources Management
Facility (safety) and Operational Management
Regulatory and Legislation Analysis
Board Management and Administration

Each of these strategic focus areas include programs and projects, policies and directives, performance targets, and evaluation and assessment criteria aligned with the overall agency mission. These focus areas also support outside central state agencies requirements and objectives.

Products and Services

Description of Major Products and Services

Continuity of Operations Planning (COOP) - As directed by the Virginia Department of Emergency Management (VDEM), Office of Emergency Preparedness and the Office of the Governor the agency has developed a continuity of operations plan for guidance in situations when mission critical operations may be temporarily out of service. Plan is evaluated along with an assessment score by VDEM and remediation and corrective actions plans are provided before finalized. An annual agency review along with plan submission is conducted and coordinated with VDEM and the Office of the Governor.

Information technology (IT) resources planning and evaluation activities are coordinated in this service area. This service area serves as the primary agency information technology resource point of contact with VITA/NG on agency Transformation initiatives and overall Enterprise IT transformation objectives for the Commonwealth as mandated by the Office of the Governor. FY 2009 and early FY 2010 the agency has completed desktop, and network transformation. We expect to refresh both tablet and desktop computers in this biennium.

The administrative service area provides the structure for operating all agency service areas, core business functions, and business operations. Many of our services are requirements from state central agencies such as VITA (Virginia Information Technology Administration) to accomplish overall state mandates and enterprise performance objectives. Services are performed on an ad hoc basis or annually and are coordinated with cross agency support when required. These services are integrated into the strategic focus areas included in this Service Area as follows:

SWaM (Small, Women and Minority Business) reporting and planning as directed.

This service area manages the penalty assessment, suspension, revocation of licenses and/or certificates for dealers and salespersons as

needed. System tracking and correspondence review is conducted and communicated to the dealers and salespersons when appropriate.

This service area produces several financial reporting documents on agency revenue and expenditures, budget and strategic planning reporting as required by the Department of Planning and Budget (DPB) and the Department of Accounts (DOA). To accomplish these services, we utilize DMV and DPB resources to produce financial and budget reports as required.

Coordinates with the Board, and other constituencies including the General Assembly any proposed legislation and regulations impacting the agency mission.

The agency produces a Board Meeting Book which is used for discussion at the Board meetings held six times a year in Richmond. The meeting book entails a comprehensive account of Board's activities in the areas of Licensing, Advertising, Dealer Practices, Transaction Recovery Fund, and other pertinent matters. This biennium we will transition to an electronic book thereby saving paper, time producing the book and money.

This agency serves on several inter-agency councils and working groups.

This service area is responsible for all bill payments to outside agencies, vendors and contractual services.

This service area is responsible for human resources management activities to include leave reporting, performance evaluations, other staffing requirements.

Anticipated Changes

During this biennium we anticipate this service area to continue to work with VITA/NG on ISO security services, desktop/table refresh and changes in service provider offerings as a result of VITA/NG contract ending in 2019.

We anticipate more effort on business processes and work flow refinement through analysis. We will continue to streamline manual and automated work processes of note in e-government online solutions.

Factors Impacting

Increase demand on service area resources to accomplish the VITA/NG requirements/changes and related complexity of security and contingency planning have challenged resources. Outside contractors must be utilized to coordinate mandated changes by VITA/NG.

The Motor Vehicle Dealer Board continues to implement automated activities that directly support service area objectives and responsibilities as charged. The Horizon application continues to add value to work processes in these service areas. Three major components to Horizon have been completed: Licensing (Dealer and Salesperson), Field Inspection workflow, and reporting tools all of which directly support the agency's service areas.

Financial Overview

The Administrative Services area is funded solely by fee revenue collected from the dealer community. Fees submitted to the agency by dealers cover all core business functions and services provided by the Board. Legislation adopted by the General Assembly in 2014 capped the fees that dealers could be charged, but more importantly this legislation gave the Board the authority to adjust fees not exceeding the cap. In July 2015, in concert with legislation that moved the oversight of motorcycles, trailers, and recreational vehicles from DMV to the Board (HB 2189), the Board exercised its authority and adjusted dealer fees.

The Board's financial accounting and reporting functions are provided by DMV. As a result of this joint effort, the Board has been able to conduct its statutory responsibilities and its financial management functions in a most cost-effective manner. (Title 46.2, Chapter 15).

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	1,187,478	0	1,187,617
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**